

EXHIBIT A

Banks

JPMorgan's 'huge mistake': ill-fated purchase of Frank heads to court

Charlie Javice stands trial on charges she fraudulently induced US bank to buy her student loan start-up



Charlie Javice's legal team has accused JPMorgan of exerting enormous power over prosecutors in its investigation © Bing Guan/Bloomberg

Joshua Franklin and **Sujeet Indap** in New York 12 HOURS AGO

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JPMorgan Chase's alleged close relationship with prosecutors will be a key focus in the defence strategy of a young entrepreneur, Charlie Javice, scheduled to stand trial this week over criminal charges she fraudulently induced the US bank to buy her company.

Javice's defence team maintains the lender essentially felt buyer's remorse, and exploited the government to turn a commercial dispute into a criminal case. [Javice](#), 31, was arrested two years ago on fraud charges over the [\\$175mn sale to JPMorgan](#) in 2021 of her company Frank, which supported students applying for financial aid.

Her legal team has accused JPMorgan of exerting enormous power over prosecutors in its investigation, alleging that such co-ordination predated the bank's own lawsuit against Javice for fraud.

"The government worked intimately with JPMC, despite the bank's reputational stake in the outcome of the case as the acquirer," Javice's team alleged in a filing last month.

In a rebuttal filing, the prosecution argued it "conducted an extensive, independent investigation of the allegations in this case" and accused Javice's team of alleging "a smorgasbord of government misconduct".

New York prosecutors accuse Javice and her co-defendant, Olivier Amar, Frank's former chief growth officer, of paying a data scientist to manufacture accounts to show 4.25mn users when Frank's actual figure was 90 per cent fewer. The trial is due to start on February 18.

A lawyer for Amar, who has denied all wrongdoing, did not respond to requests for comment.

"There will be a vigorous defence and some surprises," said a spokesperson for Javice's legal team led by Jose Baez, who previously represented Harvey Weinstein.

"Do a Google search and focus on the July 2021 timeframe and I think you'll find about two dozen articles of all kinds about Frank and Charlie talking about her signed-up users in the several hundred of thousands. It was out there in public."

Javice's defence may hinge on a distinction of how a student was defined as "signed up" — Business Insider reported in July 2021 that she told the publication Frank "serves more than 5mn households".

The case will dredge up one of the most embarrassing episodes in recent JPMorgan history — while the deal was inconsequential for a bank which made almost \$60bn in profits last year, chief executive Jamie Dimon, who made his name in part for his dealmaking acumen, has labelled it a "huge mistake".

It has also renewed attention on charismatic founders promising revolutionary businesses, following high-profile fraud trials for Elizabeth Holmes, Sam Bankman-Fried and Trevor Milton. All were later convicted and have been sentenced to several years in prison.

Prosecutors found texts between Javice and Amar discussing the conviction of Holmes, the founder of the blood-testing company Theranos. Javice wrote to Amar of Holmes: “Hopefully it’s a light sentencing . . . investors should be blamed on letting a 19 year old go rogue”.

Javice started what later became known as Frank in 2017, four years after graduating from the University of Pennsylvania. The website offered college students help in applying for financial aid.

Frank eventually attracted funding from Aleph, an Israeli venture capital firm, as well as the billionaire investor Marc Rowan of Apollo Global Management, also a Penn alumnus. Javice appeared on podcasts to promote Frank for middle and lower-income families seeking to send their children to college.

JPMorgan sought Frank for its relationship with younger Americans to whom it could cross-sell banking products. Prosecutors alleged Javice ran a scheme to make her company appear to have more critical mass to entice a potential acquirer.

The investment bank, LionTree, conducted an auction in 2021 for Frank, amid swelling public and private market valuations. JPMorgan executives indicated the firm’s valuation was underpinned by Frank’s users which JPMorgan came to believe was in the millions.

“What we are buying is a team, a brand, an algorithm, which together and without millions of customer relationships would be worth a small fraction of the purchase price,” wrote one JPMorgan executive to another about Project Finland, the internal code name the bank assigned to Frank.

JPMorgan paid Javice \$21mn for her Frank stake, with the offer of a further \$20mn retention bonus that was never paid.

Since her arrest in April 2023, Javice has been free on a \$2mn bail, secured against her apartment in Miami. The court approved her request to remove an ankle monitor so she could pursue a job as a fitness instructor.

JPMorgan has filed a separate civil lawsuit against Javice. The trial is expected to last four weeks.

